

Order requiring banks and other financial services providers to restrict funding

Q1. What does the order do to restrict the funding?

Answer:

The Government is declaring a public order emergency to take the necessary steps to limit the funding of the activities that led to this current state of emergency.

This order requires all entities such as banks, credit unions, trust and loan companies, cryptocurrency exchanges and anyone providing financial services to take immediate steps to temporarily restrict access to funds to those involved in the blockades.

It requires banks and other financial services providers to cease, suspend or refuse, to provide services to any person or entity involved in the blockades, not to facilitate any transaction relating to funds or virtual currency, and not offer any financial service and providing any funding, including virtual currencies, to anyone involved in the blockades.

Q2. Why is this order necessary?

Answer:

Participants in these activities are receiving funding from various organizations and individuals.

The declaration and order aim to put a stop to funding the activities that contribute to the blockades.

Q3. What will banks and other financial services provider be required to do under this order?

Answer:

Banks and other financial service providers will have to take the following steps:

- Review their records to identify if they have any business with persons involved in the blockades.
- Freeze or suspend business relationships with anyone they identify involved in the blockades. This includes the suspension of access to deposit accounts, cryptocurrency wallets, lending products, and investments.

Q4. Banks have frozen accounts before. What is different?

Answer:

Financial service providers take action on a voluntary basis, which can vary from institution to institution. Currently, they can freeze accounts with a court order and can share information with law enforcement.

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The order imposes a set of obligations to review their relationships with anyone involved in the blockades and report to the RCMP or CSIS.

A bank or other financial service provider will now be able to freeze or suspend an account without a court order. In doing so, they will be protected against civil liability for actions taken in good faith.

Government of Canada institutions will have a new broad authority to share information with banks and other financial service providers to ensure we all work together to put a stop to the funding of the blockades.

Q5. What safeguards would there be to protect Canadians?

Answer:

These are temporary measures directed at restricting the funding of the blockades and will be in effect for 30 days.

Banks and financial service providers have to act in good faith.

The restriction on funds will cease to apply if **affected persons and entities** are no longer involved in the blockades.

Affected individuals will also have access to the courts.

Q6. Will this apply to entities regulated by provinces such as credit unions?

Answer:

Yes, this order applies to all financial services providers, including those regulated under provincial law. This includes provincial credit unions and caisses populaires, provincial companies and securities dealers.

Q7. Does the Order cover cryptocurrencies?

Answer

The order is broad and covers assets and entities such as digital assets, crypto-currencies, payment processors and funding platforms. This order requires them to take action immediately.

Q8. Will the RCMP be able to share information with banks and other financial entities?

Answer

The order includes the ability for the RCMP and other **provincial (including local police) and territorial** law enforcement agencies, together with other institution of the Government of

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Canada, to share information with banks and other financial services providers if they are satisfied that it will help with implementation of the order.

The information shared could include the names of persons and entities **that are involved** in the blockades. The RCPM and law enforcement agencies will continue to share information in accordance with their investigation processes.

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